(Washington, DC) - **Congressman Wally Herger (R-CA), Ranking Member of the Ways and Means Subcommittee on Health, submitted the** **following statement** **to the Congressional Record. In the statement, Herger criticized the rushed methods of House Democrats and urged his colleagues to take a step back and pass an** **alternative stimulus** **bill that would create twice as many jobs at half the cost. H.R. 1 passed the House by a margin of 246-183 today. Herger's statement and information about the bill follow below:**

"All across the country, Americans are hurting. I held three telephone town halls this week and I heard firsthand how difficult things are for people. These are people willing to work; people looking to keep their small business afloat; people looking to feed their families. But they are not looking for a handout and they know that we can not spend and borrow our way back to prosperity.

"Unfortunately, Congressional Democrats' have chosen to use this bill to achieve an eight year long wish list. How does billions of dollars for ACORN help a small business owner keep people employed? How will funding for the NEA grow our economy?

"Instead of making health care more affordable, they are pushing policies that will quietly set the stage for government takeover of health care, resulting in bureaucrats making decisions for patients and doctors.

"Congressional Democrats wrote much of this bill secretly, negotiated it behind closed doors, and released late last night, giving only a few hours to review it. And the reason that they are trying to ram this bill through is simple – it won't stimulate our economy.

"That's why we should scrap this bill and pass the alternative measure proposed by House Republicans, one based on fast-acting tax relief for working families and small businesses. We need a bill that will get to the heart of the matter and put our economy back on its feet."

Background:

Please visit Congressman Herger's website for a full breakdown of the spending in H.R. 1.

On January 28, 2009, the House passed the American Recovery and Reinvestment Act by a vote of 244-188, without a single Republican supporting the bill and 11 Democrats opposing. As passed by the House, the Democrat spending bill cost $821 billion. The bill contained $361 billion in new discretionary spending, $278 billion in increased mandatory spending, and $182 billion in tax provisions.

The Senate increased the size and scope of spending in the massive "stimulus" bill, driving the cost of the bill to more than $920 billion—or $100 billion more than the House bill. Approximately $70 billion of that increase provided for a one year AMT patch. In addition, Senate amendments added $47 billion to the cost of the bill. The total ten year cost of the Senate bill approaches a staggering $1.2 trillion.

After the Senate passed the measure by a vote of 61-37, the bill was sent to a conference committee between the House and the Senate to reconcile the differences with the two bills, resulting in the conference report the House passed today.

Questionable or Non-Stimulative Spending:

- $50 million for the National Endowment for the Arts
- $2 billion for the Neighborhood Stabilization Fund, providing funds to organizations such as ACORN, which has been accused of practicing unlawful voter registration in recent elections
- $2 billion to support the manufacturing of advanced vehicle batteries
- $300 million for federal procurement of plug-in and fuel efficient vehicles
- $400 million for NASA to accelerate climate research missions
- $1 billion for a Prevention and Wellness Fund, which can be used for sexually transmitted disease (STD) education and prevention programs at the CDC

Concerns with H.R. 1

Cost Per Family: According to the Census Bureau, there are 116.8 million households in the U.S. A total cost of $1.1 trillion for the bill ($792 billion for the legislation plus at least $300 billion in debt service to pay for it) amounts to a per-family cost of at least $9,418 in new spending/debt.

Healthcare Rationing: Provides $1.1 billion to conduct “comparative effectiveness research” to evaluate the effectiveness of different preventative healthcare interventions. The money for comparative effectiveness research could eventually be used to sanction government rationing of health care goods and services, consistent with the draft House Appropriations Committee report that said that “more expensive [treatments] will no longer be prescribed” as a result of such research.

Massive Spending: According to the Federal Reserve, $789.5 billion is almost as much as all the money currently in circulation in the U.S. ($829 billion). If the “stimulus” legislation were a nation’s GDP, it would be the 16th largest economy in the world.

Long-Term Fiscal Impact: A Congressional Budget Office analysis of the spending provisions in the House-passed version of H.R. 1 found that extending the spending levels in several politically popular programs—such as Head Start, Medicaid, food stamps, and the Earned Income Tax Credit—would cost an additional $1.7 trillion over ten years. When added to the $820 billion cost (the original House-passed level) of the underlying “stimulus” legislation, and the estimated $744 billion cost of servicing the debt on the stimulus, CBO estimated the bill would cost $3.2 trillion if the major House spending provisions are extended. The funding “cliffs” included in the legislation mask the true long-term costs of the new spending and expanded entitlements created in the bill.

Refundable Tax Credits: Contains billions in refundable tax credits to provide direct payments to individuals that that pay little or no income taxes. Unlike tax cuts, these refunds do little to spur growth, create more jobs, or stimulate the economy and are more similar to new spending through tax policy than actual tax cuts.

Largest Spending Bill Ever: According to the Congressional Research Service, the largest appropriations bill considered by Congress in nominal terms was the continuing resolution and Defense appropriations measure (P.L. 110-329) passed last fall, which appropriated $636 billion. There is about the long-term implications of passing an even larger spending measure, particularly given the $700 billion (plus $108 billion in tax relief) obligated by Congress as part of the Troubled Asset Recovery Program (P.L. 110-343) last October.